



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB4557

Introduced 5/14/2009, by Rep. Sara Feigenholtz - Dave Winters
- Kathleen A. Ryg - Naomi D. Jakobsson - Deborah Mell, et al.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Liquor Control Act of 1934. Raises the rates for taxes imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of alcoholic liquor other than beer. Raises the tax rate imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of beer. Provides that of the tax revenue received from the tax rate increases of the amendatory Act of the 96th General Assembly, minus the costs of administering the tax rate increases, 55% shall be deposited into the Community Addiction Prevention, Treatment, and Recovery Rescue Fund, 36% shall be deposited into the Community Mental Health Rescue Fund, and the remainder shall be deposited into the General Revenue Fund. Creates the Community Addiction Prevention, Treatment, and Recovery Rescue Fund and the Community Mental Health Rescue Fund as special funds in the State Treasury. Provides that, subject to appropriation, moneys in the Community Mental Health Rescue Fund may only be expended for the purposes of payment to community mental health providers for certain services. Provides that, subject to appropriation, moneys in the Community Addiction Prevention, Treatment, and Recovery Rescue Fund may only be expended for the purposes of payment to addiction prevention, intervention, treatment and recovery providers authorized in, and for services authorized by, the Alcoholism and Other Drug Abuse Dependency Act. Provides that moneys in either Fund may not be expended to pay for the costs of State employees, their benefits, or other operational costs of the State. Amends the State Finance Act to include the Community Addiction Prevention, Treatment, and Recovery Rescue Fund and the Community Mental Health Rescue Fund. Effective immediately.

LRB096 12683 ASK 26366 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 8-1 as follows:

6 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

7 Sec. 8-1. A tax is imposed upon the privilege of engaging
8 in business as a manufacturer or as an importing distributor of
9 alcoholic liquor other than beer at the rate of \$0.719 ~~\$0.185~~
10 per gallon for cider containing not less than 0.5% alcohol by
11 volume nor more than 7% alcohol by volume, \$2.01 ~~\$0.73~~ per
12 gallon for wine other than cider containing less than 7%
13 alcohol by volume, and \$8.77 ~~\$4.50~~ per gallon on alcohol and
14 spirits manufactured and sold or used by such manufacturer, or
15 as agent for any other person, or sold or used by such
16 importing distributor, or as agent for any other person. A tax
17 is imposed upon the privilege of engaging in business as a
18 manufacturer of beer or as an importing distributor of beer at
19 the rate of \$0.719 ~~\$0.185~~ per gallon on all beer manufactured
20 and sold or used by such manufacturer, or as agent for any
21 other person, or sold or used by such importing distributor, or
22 as agent for any other person. Any brewer manufacturing beer in
23 this State shall be entitled to and given a credit or refund of

1 75% of the tax imposed on each gallon of beer up to 4.9 million
2 gallons per year in any given calendar year for tax paid or
3 payable on beer produced and sold in the State of Illinois.

4 For the purpose of this Section, "cider" means any
5 alcoholic beverage obtained by the alcohol fermentation of the
6 juice of apples or pears including, but not limited to,
7 flavored, sparkling, or carbonated cider.

8 The credit or refund created by this Act shall apply to all
9 beer taxes in the calendar years 1982 through 1986.

10 The increases made by this amendatory Act of the 91st
11 General Assembly in the rates of taxes imposed under this
12 Section shall apply beginning on July 1, 1999.

13 A tax at the rate of 1¢ per gallon on beer and 48¢ per
14 gallon on alcohol and spirits is also imposed upon the
15 privilege of engaging in business as a retailer or as a
16 distributor who is not also an importing distributor with
17 respect to all beer and all alcohol and spirits owned or
18 possessed by such retailer or distributor when this amendatory
19 Act of 1969 becomes effective, and with respect to which the
20 additional tax imposed by this amendatory Act upon
21 manufacturers and importing distributors does not apply.
22 Retailers and distributors who are subject to the additional
23 tax imposed by this paragraph of this Section shall be required
24 to inventory such alcoholic liquor and to pay this additional
25 tax in a manner prescribed by the Department.

26 The provisions of this Section shall be construed to apply

1 to any importing distributor engaging in business in this
2 State, whether licensed or not.

3 However, such tax is not imposed upon any such business as
4 to any alcoholic liquor shipped outside Illinois by an Illinois
5 licensed manufacturer or importing distributor, nor as to any
6 alcoholic liquor delivered in Illinois by an Illinois licensed
7 manufacturer or importing distributor to a purchaser for
8 immediate transportation by the purchaser to another state into
9 which the purchaser has a legal right, under the laws of such
10 state, to import such alcoholic liquor, nor as to any alcoholic
11 liquor other than beer sold by one Illinois licensed
12 manufacturer or importing distributor to another Illinois
13 licensed manufacturer or importing distributor to the extent to
14 which the sale of alcoholic liquor other than beer by one
15 Illinois licensed manufacturer or importing distributor to
16 another Illinois licensed manufacturer or importing
17 distributor is authorized by the licensing provisions of this
18 Act, nor to alcoholic liquor whether manufactured in or
19 imported into this State when sold to a "non-beverage user"
20 licensed by the State for use in the manufacture of any of the
21 following when they are unfit for beverage purposes:

22 Patent and proprietary medicines and medicinal,
23 antiseptic, culinary and toilet preparations;

24 Flavoring extracts and syrups and food products;

25 Scientific, industrial and chemical products, excepting
26 denatured alcohol;

1 Or for scientific, chemical, experimental or mechanical
2 purposes;

3 Nor is the tax imposed upon the privilege of engaging in
4 any business in interstate commerce or otherwise, which
5 business may not, under the Constitution and Statutes of the
6 United States, be made the subject of taxation by this State.

7 The tax herein imposed shall be in addition to all other
8 occupation or privilege taxes imposed by the State of Illinois
9 or political subdivision thereof.

10 If any alcoholic liquor manufactured in or imported into
11 this State is sold to a licensed manufacturer or importing
12 distributor by a licensed manufacturer or importing
13 distributor to be used solely as an ingredient in the
14 manufacture of any beverage for human consumption, the tax
15 imposed upon such purchasing manufacturer or importing
16 distributor shall be reduced by the amount of the taxes which
17 have been paid by the selling manufacturer or importing
18 distributor under this Act as to such alcoholic liquor so used
19 to the Department of Revenue.

20 If any person received any alcoholic liquors from a
21 manufacturer or importing distributor, with respect to which
22 alcoholic liquors no tax is imposed under this Article, and
23 such alcoholic liquor shall thereafter be disposed of in such
24 manner or under such circumstances as may cause the same to
25 become the base for the tax imposed by this Article, such
26 person shall make the same reports and returns, pay the same

1 taxes and be subject to all other provisions of this Article
2 relating to manufacturers and importing distributors.

3 Nothing in this Article shall be construed to require the
4 payment to the Department of the taxes imposed by this Article
5 more than once with respect to any quantity of alcoholic liquor
6 sold or used within this State.

7 No tax is imposed by this Act on sales of alcoholic liquor
8 by Illinois licensed foreign importers to Illinois licensed
9 importing distributors.

10 Of the tax revenue received from the tax rate increases of
11 this amendatory Act of the 96th General Assembly, minus the
12 costs of administering the tax rate increases, 55% shall be
13 deposited into the Community Addiction Prevention, Treatment,
14 and Recovery Rescue Fund, 36% shall be deposited into the
15 Community Mental Health Rescue Fund, and the remainder shall be
16 deposited into the General Revenue Fund.

17 The Community Mental Health Rescue Fund is created as a
18 special fund in the State Treasury. Subject to appropriation,
19 moneys in the Community Mental Health Rescue Fund may only be
20 expended for the purposes of payment to community mental health
21 providers for services defined in Parts 131, 132, and 135 and
22 Section 103.65(a) of Title 59 of the Illinois Administrative
23 Code. Moneys in the Community Mental Health Rescue Fund may not
24 be expended to pay for the costs of State employees, their
25 benefits, or other operational costs of the State.

26 The Community Addiction Prevention, Treatment, and

1 Recovery Rescue Fund is created as a special fund in the State
2 Treasury. Subject to appropriation, moneys in the Community
3 Addiction Prevention, Treatment, and Recovery Rescue Fund may
4 only be expended for the purposes of payment to addiction
5 prevention, intervention, treatment and recovery providers
6 authorized in, and for services authorized by, the Alcoholism
7 and Other Drug Abuse Dependency Act. Moneys in the Community
8 Addiction Prevention, Treatment, and Recovery Rescue Fund may
9 not be expended to pay for the costs of State employees, their
10 benefits, or other operational costs of the State.

11 (Source: P.A. 90-625, eff. 7-10-98; 91-38, eff. 6-15-99.)

12 Section 10. The State Finance Act is amended by adding
13 Section 5.719 and 5.720 as follows:

14 (30 ILCS 105/5.719 new)

15 Sec. 5.719. Community Addiction Prevention, Treatment, and
16 Recovery Rescue Fund.

17 (30 ILCS 105/5.720 new)

18 Sec. 5.720. Community Mental Health Rescue Fund.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 235 ILCS 5/8-1 from Ch. 43, par. 158

4 30 ILCS 105/5.719 new

5 30 ILCS 105/5.720 new